

KRS BOARD ADOPTS FY 2016 EMPLOYER CONTRIBUTION RATES

The Kentucky Retirement Systems' Board of Trustees (Board) is required by Kentucky Revised Statutes (KRS) 61.565 to determine the employer contribution rates for the Kentucky Employees Retirement System (KERS), the County Employees Retirement System (CERS), and the State Police Retirement System (SPRS) based on an annual actuarial valuation of each plan. The most recent actuarial valuations were performed by the Board's actuary- Cavanaugh Macdonald - for the period ended June 30, 2014. The following employer rates are the actuarially required contribution (ARC) rates, as set forth in the 2014 valuations:

Actuarially Required Contribution (ARC) Rates Based on 2014 Valuation

Kentucky Employees Retirement System, nonhazardous	41.31%
Kentucky Employees Retirement System, hazardous.....	24.21%
State Police Retirement System.....	77.61%
County Employees Retirement System, nonhazardous.....	17.30%
County Employees Retirement System, hazardous.....	33.68%

The rates actually adopted by the Board that will be paid by KERS, CERS and SPRS participating employers differ from the above ARC rates. During its 2014 Regular Session, the General Assembly passed House Bill 235, which set the KERS and SPRS rates for both the 2015 and 2016 fiscal years. Additionally, language was inserted in KRS 61.565(3)(c) during the 2013 General Assembly session by Senate Bill 2, which provided that the Board does not have the authority to amend contribution rates as of July 1 of the second year of the biennium for the Kentucky Employees Retirement System and the State Police Retirement System. The rates below for KERS and SPRS are the rates set in HB 235 for the 2016 fiscal year based on the 2013 valuation. In the case of CERS, the rates below reflect the ten-year phase-in of the health insurance portion of the rate, as required by KRS 61.565(6).

Employer Contribution Rates To Be Paid During Fiscal Year 2016

Kentucky Employees Retirement System, nonhazardous	38.77%
Kentucky Employees Retirement System, hazardous.....	26.34%
State Police Retirement System.....	75.76%
County Employees Retirement System, nonhazardous.....	17.06%
County Employees Retirement System, hazardous.....	32.95%

The Board adopted the above rates at its meeting held on December 4, 2014 in compliance with the requirements of KRS 61.565.